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ABSTRACT

This publication describes the necessary steps a day care planner should follow from his or her initial thoughts of starting a day care center through to opening the door to care for children. The following steps are suggested: (1) consult appropriate offices to obtain licensing regulations, and zoning codes, as well as information on major sanitation rules, and building, fire, and safety provisions; (2) conduct self-assessment to determine capabilities to operate a center, determine the need for a day care center in your community and decide what kind of center you will operate; (3) decide on the form of organization (corporation, partnership, or proprietorship) and whether it will be a profit or non-profit organization; (4) develop and collect data on how to set up and operate a budget; (5) decide on the location of the center and determine the costs involved in building, purchasing, leasing, or using donated space; (6) order and purchase furniture, toys, equipment, and, if necessary, food; (7) determine the number of staff required, their salaries and responsibilities, and the hiring process; (8) advertise, recruit, and enroll children. A list of current state day care center offices, a sample questionnaire for parents, a glossary of banking terms, a sample job description, a chart of furniture, toys, and equipment expenses, and an annotated bibliography are appended. (Author/MP)

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How To Start A Day Care Center

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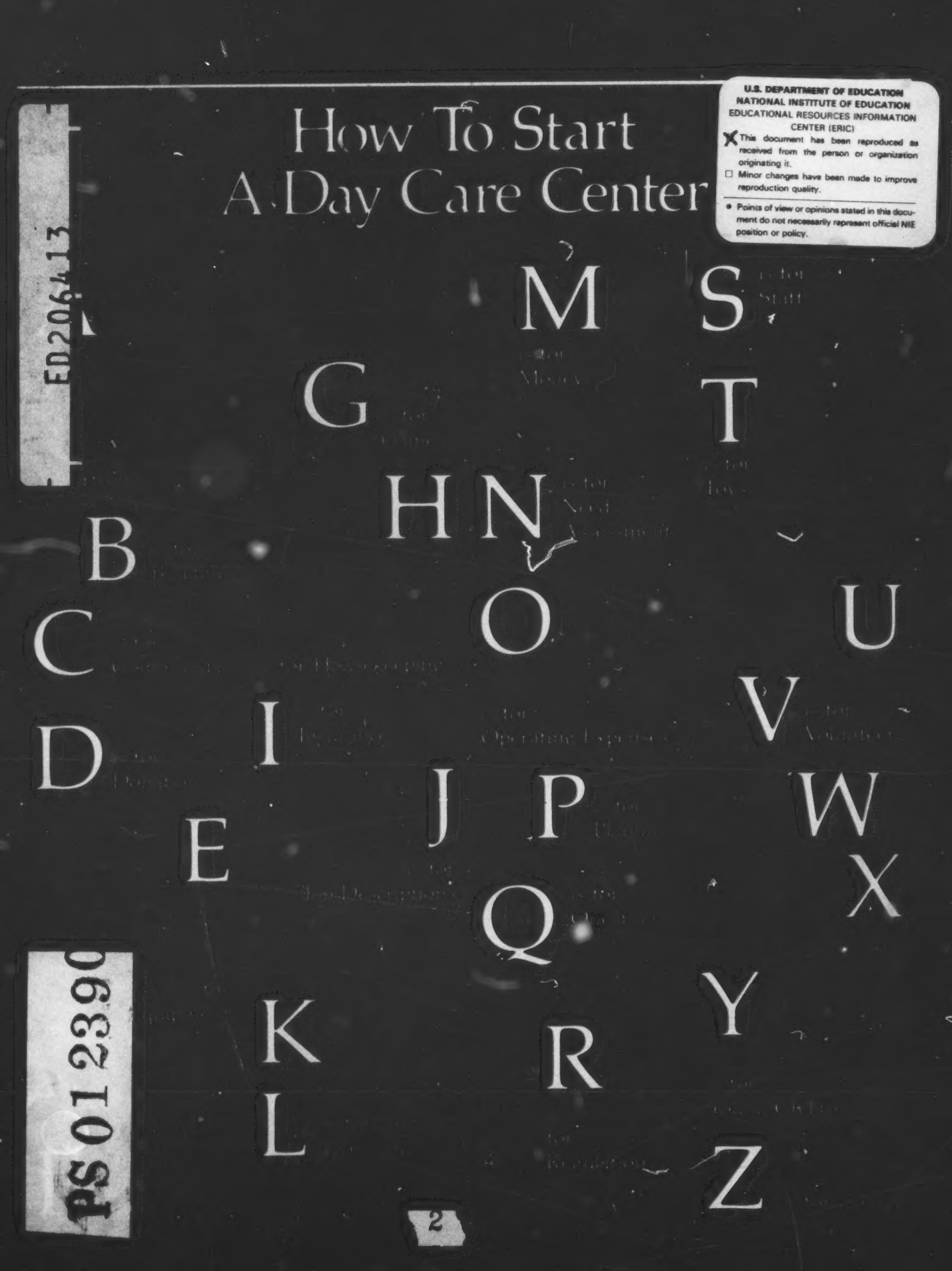

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Introduction

Starting a day care center is a challenge that involves much hard work and careful planning. As with any other business, a day care center offers a needed service to families.

This publication describes the necessary steps to help you get from the initial thinking about starting a day care center to opening the door to care for children.

We have deliberately emphasized the business side of running a day care center because the success of a center depends upon sound fiscal management as well as providing a quality program for children and their families. All too often many people fail to give sufficient importance to running a day care center as a business.

It is vital for a day care program to respond to the needs of those families you are serving. This means planning a curriculum that provides experiences based upon the children's interests. A center should provide activities which promote their intellectual, social, emotional and physical development.

You should invite parents, educators and such community members as lawyers, accountants and business people to become involved in the planning of your center. Their knowledge and skills are invaluable.

We have tried to realistically portray the issues and tasks involved in starting a day care center. We have outlined questions to ask and resources to find answers. An annotated bibliography listed in the appendix describes publications which we believe will help provide more detailed information.

Planning and operating a day care center consumes much of your time and energy, but offering a needed community service that influences the lives of children and families will produce a reward well worth the effort.

Chapter I

Regulations (Licensing and Otherwise)

Before starting your day care center, you should learn about the many regulatory systems that will affect your future decisions. Most states, by law, require the licensing of day care centers. Some cities and counties have additional licensing requirements. These include health requirements, life and safety codes, fire inspections, as well as zoning laws.

Your licensing specialist (sometimes called a child care specialist or a licensing worker) is one of your most valuable resources. They will help you understand licensing and other regulations, offer suggestions on how to meet those requirements, and identify who must approve you.

Licensing regulations may include sections on:

PHYSICAL SPACE

- number of square footage needed per child for both indoors and outdoors, depending on the ages of the children.
- lighting, heating/air conditioning, ventilation, plumbing.

STAFF-CHILD RATIOS

- the minimum number of adults required for a given number of children, depending on the age of the children. Younger children need more care and attention and require more adult supervision than do older children. Some states also regulate the maximum size of groups of children. Some states also specify minimum qualifications for staff.

HEALTH REQUIREMENTS

- annual medical examinations for staff as well as children may be required.
- immunization records usually are required. Even if they are not required, it is an important safeguard to consider.

FOOD PREPARATION AND NUTRITION
EMERGENCY PROCEDURES
EDUCATIONAL PROGRAM REQUIREMENTS
RECORD KEEPING
DISCIPLINE

Building safety regulations may include sections on:

- type of construction, number of exits, fire doors.

Sanitation (health) requirements may include sections on:

- plumbing requirements.
- food preparation and equipment.
- adequate ventilation in bathroom.

Fire regulations (Life Safety Code) may include sections on:

- posted fire drill procedures.
- adult-child ratio requirements.
- number of exits.

Zoning regulations may include sections on:

- number of square feet per child of outdoor space.
- fence requirements.
- type of neighborhood where small businesses (centers) may be located.

Licensing regulations will also describe **the licensing process**. The following outline of the steps involved in obtaining a license should offer a general idea of the necessary procedures.

1. Contact the licensing office in your state (see appendix for list of offices).
2. Obtain a copy of the licensing regulations. Read through them carefully.
3. Arrange a meeting with your licensing specialist and go over the regulations and the procedure for obtaining your license.
4. Contact inspectors for fire, zoning, health, building and sanitation codes.
5. Arrange for the other inspectors as well as for the licensing specialist to visit your center when you have located your building.
6. Fill out and submit your licensing application once you have fulfilled all the requirements.

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The entire process of meeting licensing, building, fire, health and sanitation as well as zoning requirements can take between 90 and 120 days; and longer if you are building your own center or if a building needs extensive remodeling. As stated in the chapter on **Finding a Place**, meeting all of these requirements can be very expensive. Obtain estimates so that you can figure the cost in the budget.

Licensing regulations affect every aspect of your program. Know and understand them when making your decisions.

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Chapter II
Taking a Hard Look

You should consider the following questions when you first think about starting a center.

Do I have the skills, knowledge and experience to successfully start and operate a center?

The Small Business Administration (SBA) calls initial assessment a pre-requisite for starting a business. To help you do this, we have included a questionnaire and analysis developed by the SBA. The questionnaire which we have adapted to your needs, has neither right nor wrong answers. But thinking through your responses will reveal much about yourself and your capabilities.

Self-Assessment Questionnaire

WHO AM I?

1. My physical health is __ excellent __ good __ fair __ poor.
2. As a problem solver, I am __ good __ average __ poor.
3. I get along with people __ very well __ well __ rarely.
4. I take directions __ very well __ well __ reluctantly.
5. I take the initiative __ usually __ sometimes __ seldom __ never.
6. My self-confidence is __ very high __ high __ moderate __ shaky.
7. I work better __ under supervision __ with a group __ alone.
8. In an emergency __ I need support __ I am usually the strong one.
9. As a risk-taker __ I like a sure thing __ I'm careful __ I'm a high flyer.
10. I make decisions __ quickly __ slowly __ seldom __ alone __ in consultation.

WHY DO I WANT TO GO INTO BUSINESS?

1. My personal responsibilities have __ increased __ decreased __ no one needs me anymore.
2. I need more money __ for necessities __ extras __ financial independence.
3. To be my own boss __ .
4. I can't find a job I like __ .
5. I helped someone care for children for years, and now I want to do it on my own __ .
6. It would be the culmination of all my hopes and plans __ .
7. I have to prove that I can __ for myself __ for my family.

WHAT MAKES ME THINK I CAN SUCCEED?

1. My financial assets are __ limited __ fair __ sufficient for a year.
2. My business experience has been __ limited to selling __ managerial __ primarily bookkeeping and secretarial __ varied and long.
3. Experience in day care has been __ nil __ short-term __ long enough to convince me I can do it.
4. Responsibility is __ new to me __ not new to me __ important to me.
5. I expect to work __ long hours __ less than I do now __ to fit my own life pattern.
6. Immediate profits or covering costs __ are not important to me.
   What is? _____

If you are in excellent physical health, a good problem solver, usually take the initative, a risk taker and feel comfortable making decisions, then you probably will be comfortable managing a business. If you think you can succeed because (1) you have sufficient cash to operate through a first critical year (or feel confident you can raise the money), (2) you are willing to work long hours at relatively low pay, and (3) you believe you possess the necessary skills—you have a chance to succeed.

What kind of center does my community need?

Before assessing the need for a center, learn what type of care already exists in the community:

- How many are already operating?
- What ages are served—infants, toddlers, preschool, school age, combinations?
- What age group seems to most need care?

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- Is there a waiting list?
- Do any programs have unfilled spaces?
- What hours are the centers open?
- How many days a week?
- Do they offer night care or evening care?
- Where are they located?
- Is there need for more centers in the same area?

TO OBTAIN THIS INFORMATION:

- contact the licensing office.
- contact the local day care information and referral agency.
- look in the yellow pages.
- contact the planning office (United Way, local government).

This information helps to assess the community's needs. For example, if no center provides care for infants and they are the ones most needing it, infant care should be offered at your center. On the other hand, you probably wouldn't be able to fill the center to capacity if all the other centers are serving preschool children and continue to have openings.

What types of child care do families in your community need and prefer?

You can learn this information in several different ways. We have included a sample questionnaire (located in the appendix) which can either be mailed to a representative number of parents or used in a telephone survey. Sometimes, a meeting of a representative group of parents can effectively discuss these questions. You can find participants for your survey by contacting local church and community groups.

Parental information will help you make some important decisions. When thinking about what hours to stay open, consider what hours families most need care. A center that opens at 9:00 a.m. won't help the parent required to be at work at 8:30 a.m.

Another source for information is to identify population characteristics of your community.

OBTAIN CENSUS INFORMATION FOR THE:

- number of families in your community.
- number of working families with children 0-6 years.
- number of working families with children 7-14 years.
- geographic concentration of families with children.
- income distribution of families.

CONTACT:

- United Way Planning Office
- Town or City Planning Office
- U.S. Census Bureau
- Information Office of school system for School Census Data

Census data allows you to predict future need for child care. For example, if a substantial number of children are from 0-6 years old, you can expect an increased demand for school age care in future years.

Once you have found answers to the questions listed above, study each section to determine how to decide what is best for your center. For example, if most parents need care from 7:30-5:30 then that would determine the hours of your center. If the number of families with young children is declining and the number of families with older children is increasing, you might want to provide school age care.

IF YOU NEED HELP IN MAKING AN ANALYSIS OF THE INFORMATION YOU HAVE COLLECTED, CONTACT:

- United Way Planning Office.
- personnel in planning offices in State and local government.
- your licensing office.

This information offers credibility that your center is needed and reflects the type of care parents want for their children.

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What type of center do I want to operate?

Your response should be based on the information collected from your self-assessment, needs assessment, and what you feel comfortable providing.

ASK YOURSELF:

- How many children will be served?
- What ages? Infant, toddlers, preschool, school age, a combination?
- What hours will the center be open?
- Do you want to serve special needs (handicapped) children?
- Should meals be provided, catered, or brought by parents?
- What kind of curriculum will you offer?
- What role will parents play in your program?
- What is your philosophy, what are your goals?

These initial considerations will influence future decisions concerning, for example, the staff you hire, the type of equipment purchased, and the cost of your program.

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Chapter III

For-Profit or Not-For-Profit (Which Do You Want to Be?)

One of your most critical decisions is whether to establish a "for-profit" or a "not-for-profit" center.

The basic **difference between the two types** is decided by how you spend any surplus money after all expenses have been paid. For example, in the for-profit organization, any surplus after expenses may be kept for the owners, paid as dividends, or put back in the operation of the center. For-profit organizations are subject to taxation. In a not-for-profit organization, any money left after expenses must be returned into the operation of the center (i.e. salaries, remodeling).

A non-profit organization is eligible for tax-exempt status. You must, however, file an application and meet IRS eligibility requirements in order to claim this status.

Some advantages to tax-exempt status:

- state sales taxes do not have to be paid.
- contributions are tax deductible to its donor whether made by an individual or foundation.
- grants are easier to obtain from both private and public sources.

In order to become eligible for tax-exempt status, incorporation is necessary. The process for incorporation varies widely in each state, all, however, require that you prepare "Articles of Incorporation" which describe your business according to specific guidelines. Many states also require By-Laws which will be specific to your organization and many require a Board of Directors. Board of Directors can include parents, educators, prominent community leaders, (president of local bank), a lawyer or an accountant, all of whose skills can benefit your center.

Information on requirements for incorporation can usually be obtained at the Secretary of State's Office or the Department of Corporations. A slight fee is usually required.

Once you have filed your Articles of Incorporation and any other of your state's requirements, you can file for tax-exemption. Contact the Internal Revenue Service (IRS) office in your community for information on the proper form to file for tax-exempt status.

Remember that even with an IRS exemption, you are still subject to paying state taxes. To receive a state exemption, you must file with the appropriate state agency. The state will not give an exemption until the IRS exemption has been granted. However, you must incorporate before either the IRS or the state will exempt you.

A for-profit organization may also incorporate and form different types of organizations whether under a sole proprietorship or partnership. However, a for-profit incorporation is not eligible for tax-exempt status.

Before making a decision, we strongly advise you to contact a lawyer. Legal advice will provide the information to help you make the right decision. If you do not have a lawyer, contact your local bar association for the names of lawyers. Obtain their advice. **The Legal Handbook** cited in the bibliography will also be of help.

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In Summary:

1. Decide whether you wish not-for-profit or for-profit status.
2. Decide whether to incorporate.
3. If you decide to be a non-profit incorporated body, file "Articles of Incorporation" with appropriate state agency.
4. If you are filing for Federal tax-exempt status
   - File with the IRS.
   - Submit "Articles of Incorporation" and any other requirements.
5. If you are filing for state tax-exempt status
   - File with the state.
   - Submit "Articles of Incorporation" and any other requirements.
   - Submit IRS tax-exempt status.
6. If you decide to be a sole proprietorship
   - File a "True Name" certificate.
7. If you are forming a for-profit corporation
   - File "Articles of Incorporation" under laws for for-profit incorporations.

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Chapter IV

Funding (Where Do I Go for Money and How Do I Get It?)

Where do I get the money? That is probably the question most frequently asked by people thinking about starting a day care center. While public funding is seldom available for start-up, there are several different sources for loans and grants for which you can apply depending on whether you are beginning a not-for-profit or for-profit organization.

When applying for funds, you must convince your financial backer(s) that their investment in you will be worth the risk.

Present a plan which shows that you have realistically determined your expenses and have projected a sound rationale for paying off your start-up costs and meeting your future expenses.

Your plan should describe:

- what you intend to do.
- how you intend to do it.
- why you think you'll be successful.
- how much money you will need to start and operate your center.
- how you will know whether you are successful.

Information collected in formulating your plan can then be adapted either to a loan application or a proposal for government funding or a grant. While similar information is required, there are some differences.

When applying for a loan:

1. Contact a commercial loan officer in the bank where you normally do business.
2. Become familiar with banking language. A glossary of banking terms prepared by the Small Business Administration is included in the appendix.
3. Try to anticipate the questions you may be asked and prepare suitable answers.

ACCORDING TO THE SMALL BUSINESS ADMINISTRATION, THE FOLLOWING QUESTIONS MAY BE ASKED:

- What do you intend to do?
- How will you do it?
- Do you have the necessary interest, experience, knowledge and training?
- How much of your own resources are you willing to risk?
- If you are borrowing money, how much of your own money are you willing to risk?
- What can you show as collateral to insure repayment of the loan?
- When do you expect the center to begin paying for itself?

When you make an appointment with your commercial loan officer, ask what written information you should bring to the interview.

ACCORDING TO THE SMALL BUSINESS ADMINISTRATION (SBA), LOAN OFFICERS REQUIRE:

- a detailed description of your center (who you will serve, how many, what hours, use data based on your needs assessment).
- a description of your training, experience, and management capabilities that will contribute to your success.
- an estimate of how much money is needed to start your center, how much money you already have and how much you will need to borrow.
- a current personal financial statement listing your personal assets and liabilities; what you own and owe.
- an operating budget reflecting the monthly estimated income and expenses for the first year.
- a list of collateral including an estimate of the present market value.

When applying for money from either a bank or an individual investor, show a willingness to invest your own money. In other words, in order to get money ... you have to have money. The Small Business Administration points out that in most cases, you should have at least 20% of the money you want to borrow.

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If you need to borrow $40,000, then you should have at least $8000 of your own. You must be willing to risk your money if you expect others to risk theirs.

The Small Business Administration helps both the not-for-profit and for-profit organizations prepare the information listed above. In addition to guaranteeing loans to for-profit businesses, SBA provides management assistance, sponsors workshops and provides publications written especially for individuals who have never started or operated a business. Most of these services are offered at little or no cost. SBA's publication **Woman's Handbook—How The SBA Can Help You Go Into Business** is excellent for providing background (for both men and women) on what to know when applying for a loan.

If you are refused a loan by two different banks, and you are a for-profit center, you are then eligible to apply for a direct loan through the Small Business Administration. SBA offices are located in principal cities throughout the United States.

When applying for a grant or contract from private funding sources:

1. Call or visit their offices.
2. Ask if they have special forms or guidelines for submitting a proposal.
3. Ask if there are any special requirements for applying to be sure that you are eligible.
4. Find out what their funding cycle is (some only give money at certain times of the year).
5. Find out when applications are accepted and decisions are made.

Foundations, charitable organizations, and most other funding sources require a written proposal which includes similar information as required by loan officers.

A WRITTEN PROPOSAL USUALLY DESCRIBES THE:

- purpose (why do you want to start a day care center?)
- goals (what kind of center?)
- procedure (how will you start?)
- budget (how much will it cost to start and operate your center?)
- evaluation (how will you determine whether you will meet your purpose and objectives?)

The bibliography lists excellent publications which will guide you through the proposal writing process.

If your application for funds is refused, find out why. Ask if you could make the necessary changes and re-submit. Sometimes they are willing to fund part of your original request. Find out which parts they could fund and re-submit for that part.

We have included a chart which lists those **places where you are eligible for funds** according to your legal status (for-profit, not-for-profit).

Both For-profits and Not-for-profits may apply to:

- investors
- friends, relatives, individuals
- foundations (private and local)
- government funds
  federal
  state
  city
  county
- corporations
- banks
- Savings and Loans
- commercial credit corporations
- credit unions
- Merrill Lynch
- ITT

For-profits may apply to:

- Small Business Administration

Not-for-profits may apply to:

- voluntary funding sources
  churches
  United Way
  Junior League
  civic organizations (Lions Club)

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The following is a brief description of some of those funding sources.

GOVERNMENT FUNDING (Public Funds)
Large sums of money are extremely difficult to obtain for buildings, equipment and salaries. Some states and cities, however, do have small sums of start-up money. To find out if and what funding is available for child care programs, contact your licensing specialist, local child care association and planning department in your city or county offices.

Federal block grant dollars are available to help qualified parents pay the cost of their child care. These monies are administered through different offices depending on your state and may not be available for new programs. Ask your licensing specialist or local child care agency to direct you to the appropriate office to obtain information and eligibility requirements for these programs. These funds are for operating costs.

THE CHILD CARE FOOD PROGRAM
The Department of Agriculture provides funds to pay for the cost of food for families and centers that meet its guidelines. Again, ask your licensing specialist or local child care agency to direct you to the appropriate office to obtain more information.

CHURCH GROUPS OR OTHER CHARITABLE ORGANIZATIONS
They may provide small contributions or in some cases may donate space, equipment, toys, or volunteers.

FOUNDATIONS/GRANTS
Many small local foundations are located in cities throughout the country. **The Foundation Directory** (included in the bibliography) is an excellent resource and can be found in your public library. You may also qualify for corporate gifts, matching grants and foundation money which are provided by many industries and corporations.

UNITED WAY, CATHOLIC CHARITIES, UNITED JEWISH APPEAL
Charitable funding organizations are an excellent funding source for not-for-profit organizations. However, they generally require that you be in operation at least two years prior to funding. Programs that they are already funding often are given priority.

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Chapter V

Finding a Place (Where Do I Look?)

The cost of the center itself will be one of your major start-up expenses. Finding adequate space and the right location based on family preference requires money, time and thought. Be aware of local zoning codes, building codes, fire, health and sanitation codes as mentioned in Chapter I. Contact the local offices responsible for each subject and ask for an appointment with someone who can explain the required regulations. Take notes during the meeting and ask for copies of the regulations.

When you think you have found the right location, ask your licensing specialist to inspect it. If renovation is needed, the specialist will often be able to give a cost estimate, or direct you to someone else for estimates. Be sure you do this before you sign a lease or purchase agreement.

Decide whether to build, buy, rent, or look for donated space. This is crucial in terms of your budget since it will affect how much money you will spend, not only now, but in the future.

Places where space might be found and who you may need to contact:

Check classified real estate ads.
- homes for rent or sale.
- apartments for rent or sale.
- condominiums for rent or sale.

Contact real estate agencies.
- ask for commercial real estate listings.

Walk or drive through areas where you wish to locate your center.
- ask residents, shopowners if they know of any building for rent or sale.

Contact local churches/synagogues.
- ask ministers/rabbis/priests if they have space they would donate or offer at a reduced rate.

Contact schools.
- ask principals if they have empty classrooms.
- ask superintendents if there are any empty school buildings.

Contact local industry.
- ask the Public Relations office if it has available space to rent or donate.

Contact property management companies.
- find out if there is any space in office buildings.

As you begin to look at possible places, **consider the following questions:**

1. Does it meet licensing requirements?
2. Does it meet building, sanitation, and fire codes for day care centers? If not, what has to be done and how much will it cost?
3. Is the area zoned for day care?
4. Is the location convenient for parents?
5. Is public transportation available?
7. Is there adequate fire and police protection?
8. Is crime insurance necessary and available at a reasonable rate?
9. Is it safe?
10. Can the space provide separate areas for different activities?
11. Does it have outdoor space or is a playground nearby?
12. Does it have kitchen and adequate bathroom facilities both for children and adults?
13. If you will be sharing the space (church or school, for example), will you have to move equipment before others can use the space?
14. Can you afford it?
15. What were the utility bills last year?

If you are not building your own center, some changes will in most cases be needed. Renovation involves projects ranging from painting, (paint and labor can be donated free of cost), to rewiring or major plumbing which often becomes very expensive. In a major renovation, you can sometimes negotiate with your landlord to perform the work at a corresponding increase in your monthly rent.

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If you have to draw up your own lease or even if you are given a lease to sign, responsibility for the building must be clear to both you and the landlord. This is also true if you are purchasing a building. Your lawyer should inspect the lease or contract along with you **before** you sign.

Remember, a lease should include:

- specifications for the space to be used and exactly when it will be used.
- how and when rent is to be paid.
- who is responsible for maintenance, repair, insurance, extermination, garbage, and snow removal.
- who will pay if there is an increase in real estate tax.
- who will be responsible for obtaining official permits, if required.
- an option to renew.

Occupancy costs (space) include utilities, insurance, maintenance and repair expenses. It is important to be able to **estimate your cost as you project your budget.** To help make those estimates:

- find out what the utility costs were last year and account for inflation.
- determine if a deposit is required for opening a utility account. How much is it?
- decide whether your account will be based on commercial (business) rates or private home rates.

Other questions to ask yourself are:

What is included in maintenance and repair?

- common repair costs include plumbing, wiring, roof, plus outside and inside walls.
- cleaning supplies and equipment.
- snow removal.
- trash removal.
- lawn mowing.
- insect control.

What kind of insurance do I need?

- liability.
- fire and theft.

It is crucial to obtain insurance that protects your center, staff, and children. For more information, contact your insurance broker.

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Chapter VI

Equipment (What Do I Need?)

When deciding how to equip your center, consider things for the children such as toys, sandbox, tables and chairs. For adults, you will need office furniture, a typewriter, and other necessary items. If you are planning to serve meals to the children, kitchen appliances and cooking equipment will have to be obtained if the food is not catered, or the parents are not asked to furnish it.

Begin by listing what you would like, and the number you will need based on your program goals and the number or age of the children. Other center directors and your licensing specialist can help determine how much equipment you will need. If you are planning to enroll special needs children, be sure to have the appropriate materials and equipment. Several references in the bibliography have suggested equipment lists which are helpful guides. When selecting equipment, consider: 1) is it reflective of your program goals? 2) is it safe and made of non-toxic materials? 3) is it durable?

Also, check your licensing regulations and health and building requirements because they sometimes have such equipment requirements as sleeping mats or cots for children, or they specify a particular appliance, such as a dishwasher.

Divide your list into equipment you will have to purchase, those which can be made by you or volunteers, and those which may be donated.

For items you are planning to purchase:

Contact an existing day care center which serves the same age children as you.

- look at their toys and equipment.
- find out where they were purchased.
- ask for recommendations based on their experiences.

Contact your local licensing specialist.

- look through their equipment and supply catalogues.
- find out if specific equipment is required in the licensing regulations.

Contact toy and equipment companies.

- compare prices.
- get references to insure reliability and quality.
- find out if transportation costs are included.

Contact local school systems and find out where they purchase supplies wholesale.

Check classified ads in your local paper.

Check in the telephone book for Child Care Associations, 4C's or a Resource/Information & Referral Center.

Find out if your Board of Education holds furniture and equipment auctions.

IF YOU PURCHASE ITEMS IN BULK:

- do you have enough storage space?
- can you accurately project how much you will need?
- can you control over and under usage?

Equipment can comprise a large part of your start-up costs. You can save money by having shelves, easels, toys and games made by friends, relatives, church groups, community service groups as well as parents of children who will be attending your center. They can all be a valuable resource in donating their time and skills.

For items you are planning to make yourself:

Check your library and bookstore for the publications listed in our bibliography.

Contact a vocational/rehabilitation center.

- sometimes students will design and make what you need at little or no charge.

Scrap wood donated from lumber yards and high school woodworking shops can further reduce costs. You can also save money by making your playground equipment from such natural materials as tire swings (if licensing requirements allow) instead of purchasing expensive commercial equipment.

In addition to purchasing or making necessary equipment, many items can be solicited in the form of donations from local businesses and individuals.

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For items you are planning to be donated:

Contact local businesses, industry and universities for typewriters, office furniture, scrap paper.

Contact local toy stores for slightly damaged goods which you can repair.

Most communities are full of resources that are free or cost very little.

FOR ITEMS YOU ARE PLANNING TO OBTAIN AT LITTLE OR NO COST:

- visit thrift shops and second hand shops for dress-up clothes, furniture, toys and books.
- attend tag sales, garage sales, church bazaars for second hand items.
- find out if there is a resource center in your community for recycled materials (computer paper, styrofoam packing materials, telephone wire).

We have included a chart (see appendix) which will help you make estimates about equipment you will need, how much it will cost, and how you will pay for it. While these initial purchases are included in your start-up costs, remember that money should be budgeted (in your operating budget) for maintenance, repair and replacement costs.

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Chapter VII

Hiring Your Staff (How Do I Do It?)

Your staff is a reflection of your program philosophy and goals. Its quality and performance are critical to the success of your program.

Many factors will influence decisions regarding the best staff to hire for your center. Some of these have been discussed in previous chapters:

- your own goals and objectives (what you intend to do and how you will go about doing it.)
- licensing regulations concerning staff-child ratios and group size.
- needs assessment which assisted you in determining the age group of children to be cared for and what kinds of experience parents wish for their children.

Other factors will also influence you. Listed below are five questions that you must answer in order to adequately staff your center with well-qualified personnel. Each question includes a brief description of some factors that will help you make your decision.

1. How many staff will you need?

The state licensing regulations have minimum guidelines for the number of staff you will need depending on the age group of the children you will care for in the center. These reflect the minimum requirements and you may choose to require more.

Research has shown that for 3-5 year olds, small groups of 14-18 children are important to quality. Infants will be in much smaller groups than that, and school-age children may be in slightly larger groups.

In addition to the staff caring for children you will need to make decisions regarding other personnel who although not working directly with children may be necessary to maintain a smooth operating center, i.e., cook if you are preparing food at the center, a secretary, bookkeeper (or combination of both), a custodian. Substitute staff will be necessary for those days regular staff and volunteers are ill, on vacation, or in training.

2. What hours will they work?

When deciding the number of staff needed, also account for the hours they will work at the center. Most centers stay open 10-12 hours a day.

Know that working with children is emotionally and physically demanding. Staff tend to be less effective after six hours. If you cannot afford 6 hour shifts, staff should be given breaks. If you require 8 hour shifts, then staff are entitled, by law, to lunch breaks and coffee breaks, usually once in the morning and once in the afternoon. Developing a staff schedule depends on how many children are present during different times of the day. Children do not all come at the same time or leave at the same time. Therefore, the number of staff will depend on the number of children present at any one time.

3. What will their responsibilities be?

Determining responsibilities depends on who will do what (description of the job), the authority each person has in line with their responsibilities, who will supervise whom and how it will be determined whether they have met those responsibilities. Job descriptions must be written for all staff members including yourself. Also, determine whether you will require a degree or credential (known as CDA), experience or special training.

To help you with the above tasks, (which is known as developing a job description) contact:

- your licensing agent.
- director of another day care center.
- agencies that assist people in finding work by helping them in determining their skills, i.e. Displaced Homemakers, SER, Urban League, YWCA's.
- child care resource and information referral centers.
- child care associations and 4C's.
- references in the bibliography located in appendix.

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4. What salaries and fringe benefits will you offer?

To help insure that you offer quality care to families for their children, and that you maintain a consistant and qualified staff, salaries should reflect a wage level that will attract competent and qualified people. In addition, serious consideration should be given to an attractive fringe benefit program.

SOME FRINGE BENEFITS TO CONSIDER ARE:

- social security (optional for non-profit).
- health insurance.
- workmen's compensation (mandatory).
- vacation leave.
- sick leave.
- personal leave.
- paid maternity/paternity leave.
- paid staff training to workshops, conferences or providing money for college credits.
- retirement plan.
- professional days.

The same resources available to help you with job descriptions, will also help you make decisions concerning salaries and fringe benefits.

When all of the above are accomplished, then further decisions must be made regarding:

Personnel Policies

A written personnel policy is your outline of procedures for staff. It specifically details what they can expect and what is available to them as employees of your center. Clearly stated policies help avoid future misunderstandings and misinterpretations.

PERSONNEL POLICIES GENERALLY INCLUDE:

- job descriptions.
- salary ranges, from lowest level to highest level for any one position.
- benefits.
- hiring and termination procedure.
- evaluation procedure.
- grievance procedure.
- sick and vacation leave.

Legal Aspects

You have to become familiar with many laws when others are working for you.

SOME OF THE LAWS INCLUDE:

- Withholding Tax (Federal Income Tax)— check with IRS.
- State or Municipal Income Tax— ask your bank who to contact.
- Workman's Compensation— contact State Workman's Compensation Agency or State Insurance Company.
- Social Security (FICA)— contact local Social Security office.
- Unemployment Insurance— contact State Employment Security Agency.

These laws and regulations constantly change so it is very important to keep abreast of them. For more information, contact IRS, a lawyer, or your bank.

Hiring Process

The final step in preparation for hiring staff is to establish a hiring procedure. If you used a parent group in assisting you with your needs assessments, you might want to include them when hiring. They can offer invaluable advice on hiring qualified staff which satisfy your needs and those of the parents.

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SOME STEPS IN A HIRING PROCEDURE INCLUDE:

1. Establish criteria for selecting your staff. Work with children involves planning a curriculum which provides activities that will enhance their social, intellectual, emotional and physical development. A major consideration are the personal qualities and the candidate's attitude towards day care, children, and parents. Criteria should also be based on qualities and skills necessary to fulfill the job description.
2. Establish a time frame. Remember, you will need to advertise, interview and make selections (some individuals may have to give notice to their former employer, so it would be wise to begin the hiring process 60 days in advance).
3. Advertise.
4. Review resume based on your criteria.
5. Telephone those applicants you may wish to hire for an interview. Screen to be sure they meet your criteria.
6. Have candidate fill out application form.
7. Conduct interviews (if possible observe candidate with children).
8. Contact references.
9. Review and make your decision.
10. Notify candidates of decision. Even those you do not hire need to know your decision.

You may find the following places helpful as you begin to recruit staff:

5. Where do you look for staff?

	Director	Teaching	Cook	Sec./Bookkeeper
College Placement Office	x	x		x
Vocational High School		x	x	x
State Licensing Dept.	x	x		
Information & Referral Agency	x	x		
Local Employment Agency	x	x	x	x
Advertise in Paper (nearest city paper)	x	x	x	x
Local Business School				x
Notices in Markets and Laundromats	x	x	x	x

Each advertisement should include a job title, brief job description, qualifications, deadline for applications, request for resume, telephone number or address, and who to contact.

You will probably notice that staff salaries and fringe benefits consume a major portion of your budget. In addition to some paid staff, many centers use volunteers in order to meet licensing requirements. Volunteers can offer special activities that centers could not otherwise afford to give children and their families, such as dance or gymnastics.

If you decide to use volunteers, be very specific when they will work. Describe their duties, so they know to whom they are to report, and the person to notify in case of an absence from the center.

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Remember, there are risks in using volunteers to maintain your staff-child ratio. If the volunteer does not show up, you could be in violation of your state regulations. Volunteers can serve as teachers, teacher-aides, secretaries, and bookkeepers. Many volunteers are skilled in story-telling, dance, art and music. Parents of the children may have skills in nursing, accounting, law, and may want to serve as volunteers or work to reduce their tuition fees.

VOLUNTEERS MAY BE FOUND AT:

- colleges and universities (student teachers, students in art, music, atheletics).
- Fraternities/Sororities.
- high schools (particularly the home economics department).
- Girl Scouts/Boy Scouts.
- Junior League.
- Foster Grandparent Program.
- senior citizen groups.
- church organizations.
- Armed Forces bases.
- training programs.

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Chapter VIII

Financial Management (How Do I Prepare a Budget?)

Each year 50% of small businesses (including day care centers) fail, due primarily to bad financial management. Therefore, if your operation is to work, plan a realistic and sound budget. Determine the actual amount of money needed to open your center (start-up costs) and the actual amount it will take to keep it open (operating costs).

A budget is a plan which provides a realistic projection of actual estimated expenses (what you will spend) and income (money coming in). Preparing both a start-up budget and an operating budget will tell you what you will spend (now and in the future) and where the money will come from for starting and operating your center. Most importantly, it will indicate whether your projected income will meet your expenses.

Therefore, a budget describes for you and your funding sources:

- a plan, a projection of your estimated expenses and income.
- a reflection of your program and philosophy in financial terms.
- a tool by which you establish the financial stability of your business.

A start-up budget includes costs incurred for starting the center. These usually include such "one-time-only" costs as major equipment purchases (including large equipment), renovation, utility deposits, and down payments. You will not have these costs once the center is operating. In addition, include up to six months of expenses that will incur after you open or until you have enough money coming in regularly. Until you reach full enrollment, you will be operating at an expensive cost per child.

In estimating your costs, learn what it cost other day care centers to open in the last two or three years. Find out their expenses, both planned and unplanned. When determining your costs, remember to figure in the current inflation rate. The following is a sample to help identify and determine your start-up budget. It tells how much money you will need to start your center.

Start-Up Budget

EXPENSES

Personnel (costs prior to opening) ..... $____

Occupancy
- Downpayment or purchase of building . $____
- Building remodeling costs ..... $____
- Rent deposit ..... $____
- Deposit for utilities ..... $____

Equipment
- Office ..... $____
- Program ..... $____
- Installation fee ..... $____

Supplies
- Program ..... $____
- Office ..... $____
- Housekeeping (toilet paper, cleaning supplies) ..... $____
- Food service ..... $____

Miscellaneous
- Advertising ..... $____
- Food (1st month) ..... $____
- Legal and professional fees ..... $____
- Licenses and permits ..... $____
- Operating cash (for six months to opening) ..... $____

Total $____

INCOME ..... $____

Total $____

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An operating budget is prepared for when your center actually opens and begins caring for children. It reflects your priorities in terms of how to spend your money, portrays expenses, and how you will meet them (income). An operating budget includes start-up costs.

As you estimate your expenses, other centers can help you project your actual costs, particularly in such non-personnel items as telephone and supplies.

We have developed a sample operating budget based on 45 children, three classrooms with 15 children in each, at approximately 1:7 staff/child ratio.

Annual Operating Budget
45 children, 1:7 ratio, parent fee @ $60/week

PERSONNEL	% OF TIME	ANNUAL SALARY	TOTAL
Director/Head Teacher	100%	$14,000	$14,000
Sec/Bookkeeper	50%	8,000	4,000
Teachers (2)	100%	12,000	24,000
*Aides (1)	100%	8,000	8,000
(2)	50%	7,000	7,000
Cook/Maintenance	100%	7,000	7,000
			64,000
Fringe Benefits @ 15%			9,600
Substitutes @ $3.20/hr. x 8 wks.			1,050
			$74,650
OCCUPANCY			
Rent @ $800/month x 12 months (2,000 square feet @ $4.80/sq. ft.)			9,600
Heat			2,300
Electricity			1,700
Telephone			500
			$14,100
EQUIPMENT			
Educational			800
Kitchen			500
Housekeeping			200
Office			300
			$1,800
SUPPLIES			
Educational			1,200
Housekeeping			500
Office			500
			$2,200

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FOOD (1 meal and 2 snacks)	
($1.60 x 40 x 240 days)	$15,400
OTHER EXPENSES	
Advertising	400
Licensing fees	50
Insurance (liability @ $10/child/year)...	450
Subscription/membership	50
Audit	900
	$1,850
ANNUAL PAYMENT ON $20,000 START UP LOAN.....	5,000
TOTAL EXPENSES	$115,000
INCOME	
Parent fees (assessing 85% enrollment)	
(45 x 85% x $60/wk. x 50 wks.)	114,750
Fundraising/Donations	250
TOTAL INCOME	$115,000

*Two Aides are volunteers from local community youth employment program.

The following briefly describes items to consider in the expense categories of an operating budget.

PERSONNEL

Expenses related to personnel consist of actual salaries, tax requirements and fringe benefits. Estimate 15% of salary to cover cost of fringe benefits. These may include health, vacation, and sick leave. Substitute costs should also be budgeted. These are based on the number of staff vacation days when a replacement would be needed. In summer, for example, enrollment usually decreases so all staff may not have to be replaced. Approximately 80% of your budget will be personnel expenses. See Chapter VII for additional information.

OCCUPANCY

Expenses in this category include rent or mortgage payments, utilities, maintenance, repair and insurance. Costs in this category usually range from $400.00-$500.00 per child per year.

EQUIPMENT

Expenses in this category include educational materials such as toys and games, kitchen utensils, dishes and cups. Housekeeping equipment such as a vacuum cleaner and office equipment (a typewriter) are also included. See Chapter VI for additional information.

SUPPLIES

This category includes expendables; used items which need replacing. Examples of educational supplies are crayons, paper and paint. Office supplies include stationary, billing forms and postage. Housekeeping supplies include soap powder, toilet paper and paper towels. For additional information see Chapter VI.

FOOD

Expenses are based on 1 meal and 2 nutritious snacks prepared at the center. USDA publications cited in the bibliography provide tips for planning meals and purchasing food economically. Consider purchasing wholesale and in bulk as a way to cut costs.

OTHER EXPENSES

This category includes advertising and licensing fees, insurance, subscriptions to professional journals, and membership in professional organizations. Expenses for an audit and for an annual payment on $20,000 start-up loan is included. Payment for a start-up loan should be included as an expense in your operating budget.

TRANSPORTATION

Transportation costs are not included in this sample budget. If transportation is provided, either directly or contracted, the costs should be in your budget. Expenses might involve gas, maintenance and repair, insurance, driver's salary, vehicle payments or fee for contract services.

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INCOME

Parent fees are figured at $60 a week. Since enrollment is rarely consistently 100%, a safer estimate is 85% enrollment. This is based on a 50 week year allowing for family vacations. Additional funds are required and it is estimated that $250.00 will be raised. (See bibliography for helpful fundraising references).

To ensure sound fiscal management for your center, contact an accountant or accounting firm to help you set up your books (written record of how you spent your money). Several excellent resources described in the bibliography were developed under a grant jointly funded by The Office of Policy Development and The Administration For Children, Youth and Families to provide effective fiscal management and consistent accounting practices for human services programs. They are: **Training Programs: A Standardized Accounting System**, by Audrey Jordan, Ph.D., **Dollars and Cents** and **A Guide for Bookkeeping**, by Emily Younguist and Guy Farrell.

An audit is also a cost. It provides a review of appropriate financial records and books by an independent public accountant. It determines whether you have spent money appropriately according to your budget and any other requirements mandated by various funding sources as well as state and federal regulations. It protects you by providing an accurate financial statement and provides recommendations to improve your financial management. It is also a good tool for projecting future budgets. Many funding sources require a financial statement or audit as a condition of future grants or contracts. Therefore, you should budget for an audit or look for an accountant who will do it at little or no charge. Contact your local accounting association for accountants who can help you.

First-year operating costs will run higher than initial start-up costs. However, it is important to add the two totals. This will reveal how much money you will need from the time you decide to open the center through the center's first year of operation. If parent fees are included on your revenue side (money coming in), most centers do not have total enrollment until at least three months after they have opened for operation and some take several years. **Analyzing Costs in Human Service Programs**, cited in the bibliography provides helpful information for collecting, organizing and analyzing cost information.

After completing your projected expenses and revenues, determine whether the costs (expenses) match the income (revenues). If not, will you need to lower the costs or raise your estimates on the amount of money that will be coming in? If you cannot raise additional monies, decide where you can cut costs. For example, can you reduce your program's supply costs by relying more on recycled materials? Would such cuts really help? You may be tempted to cut personnel salaries or fringe benefits since it consumes a large part of your costs. Professional salaries and fringe benefits are important in attracting and maintaining a well-qualified staff. Reducing the number of staff may place you out of compliance with state licensing requirements and your own standards of quality. You may want to look for other sources of revenue (see Chapter IV) or you may want to consider an increase of parental fees or tuition.

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Check your needs assessment and determine what parents can afford to pay and what seems the going rate at centers similar to yours. Few parents can pay more than 10% of their total family income for the care of all their children. Be aware of tax credits available to parents for day care. Contact your local IRS for the latest information on child care tax credits.

Some centers have a sliding fee scale which means that parents are charged different rates depending upon their income-level and number of children. But remember, if you lower a fee you have to make it up in other fees or other sources of funding (see Chapter IV). Most centers request advance payment of fees. Parents are billed on either a weekly or monthly basis. Don't let payments fall behind. The longer they are overdue the harder it is to collect. Remember you will not have 100 percent enrollment. You probably will be operating at an 85% enrollment level. Plan for this when developing your budget through a 12-month period. In addition, decide whether to charge parents for the days when the child is ill, on vacation or holidays.

In addition to carefully planning your budget, **establish fiscal policies**. Determine when staff is to be paid (weekly, monthly), late fee payment policies for parents, tax reporting, to name a few procedures.

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Chapter IX

Advertising Your Center (How Will Families Know About Me?)

A day care center, like any other business, has a product that consumers want and are willing to purchase. As in other businesses, you will have to sell your product (the center) to consumers (parents) who want care for their children.

Even though the needs assessment indicated that parents need your center, don't expect full enrollment on opening day. It will take from one month to a year to achieve that goal and how well you advertise can make the difference.

You should begin advertising no less than three months prior to your opening date. As soon as possible, place an ad in the Yellow Pages. Whether you use brochures, posters, classified ads, or flyers, the information should include:

- name, address and telephone number of center.
- ages of children who will be accepted.
- hours center will be open.
- fees charged.
- a paragraph about the program to be offered and the qualifications of staff.
- who to contact for more information.
- date you plan to open.

What you say and how you say it makes the difference as to whether people will want to use your center. Study written advertisements in newspapers and magazines and ask yourself about those that appeal to you and why. If you know someone in advertising or public relations ask them to help you design brochures, posters, and ads.

The following are **advertising suggestions**:

- post brochures and posters in shopping centers, markets, laundromats, restaurants and community centers.
- take brochures or flyers to the employment office, libraries, schools, personnel offices of businesses and industries, and to government and hospitals, union headquarters or shops, women's groups, colleges and universities, church groups and the PTA.
- announce your opening in the business section of the newspaper as well as other feature sections.
- let other centers know you are opening.
- go on both local TV talk shows and radio shows to talk about your center.
- use the classified section of your newspaper.

Once parents begin to respond, you will need to make appointments with them to discuss enrolling their children at the center. At that time in addition to the enrollment form, you will need **policies** that speak to:

- fees—when and how paid.
- illness.
- vacation.
- holidays.
- field trip permission.
- times center is open.
- who is authorized to pick up their child.
- what extra clothes, if any, will be required.
- activities taking place at the center.

Remember, when you have a good product, "It Pays to Advertise."

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Summary

After reading this guide, you can understand the challenge of operating your own small business! To start a day care center, you now know that you must familiarize yourself with licensing regulations, decide what kind of business (not-for-profit or for profit), and determine the kind of center you will have based on what families need and what is already available in the community. You have to locate funds and space; equip your center, hire your staff, and prepare a budget.

You also need to plan your program and design your curriculum. As opening day approaches, you also have to consider the on-going experiences that need to be planned. They include:

- planning the daily schedule for children.
- planning staff schedules.
- staff training and development.
- setting a time for staff meetings.
- setting a time for parent meetings.

You will also begin to develop such materials as:

- staff policy manual.
- parent handbook.
- volunteer orientation manual.

As you follow all the steps needed to start a day care center, you will notice that some tasks must be done simultaneously. For example, while you are waiting to receive a copy of your licensing regulations, you will be developing your needs assessment. Thus you will have two sets of information needed to make decisions about the operation of your center.

We have developed the following check list of major tasks that need to be accomplished for starting a day care center. Included in the checklist is an estimate of the number of days needed to complete some of these overlapping tasks.

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Checklist of Major Tasks*

	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month
1. Consult appropriate offices and obtain licensing regulations, zoning codes, and ask about major sanitation rules, building, fire and safety provisions.	21 days →											
2. Determine the need for a day care center in your community and decide what kind of center you will operate.	45 days →											
3. Decide on the form of organization (corporation, partnership or proprietorship) and whether it will be "for-profit" or "not-for-profit."	10 days →											
4. File and receive incorporation papers if a corporation. File true name certificate if proprietorship.		120 days →										
5. File and receive tax exemption forms (if not-for-profit). File and receive state tax exemption.			60-180 days →						30-180 days →			
6. Develop and collect data for start-up budget and operating budget.	45 days-revise as new information is obtained →											
7. Decide on a location and determine costs for building, purchasing, leasing, or using donated space. (Includes time to receive zoning variance if necessary.)			30-180 days →									
8. Obtain funding (times listed include planning for obtaining funds)												
Foundations				30-352 days →								
Grants				30-260 days →								
Bank loans				30-90 days →								
Contributing				on-going →								
Fund-raising				on-going →								
Self				on-going →								
9. Get building ready for occupancy (includes renovation if necessary)												
Rent (landlord makes improvements, or you do)						30-90 days →						
Purchase building						30-260 days →						
Donated space						30-90 days →						
New construction						1-2 years →						
10. Apply for, and receive approvals from health, building safety, and fire safety if appropriate. Apply for, and receive license.							30-90 days →		30-45 days →			
11. Order and purchase furniture, toys, equipment, and food, if necessary (delivery time included.)										30-90 days →		
12. Utilities—open accounts (includes time for service to begin)											30 days →	
13. Hire staff (includes determining how many, job descriptions, and recruitment)										14-45 days →		
14. Design curriculum, schedule for the day, train staff team											20 days →	
15. Advertise, recruit and enroll children										30-60 days →		

If you are building a new building, and need a lot of time to raise money and plan, it could take more than a year to get started. The above assumes that you will take about a year. By concentrated planning, and using the shortest length of time possible for each step, it could be done in half this projected time.

HURRAH! You're ready to open. Good Luck.

*Prepared by The Day Care Council of America, Inc.

Appendix

Advisory Board

Project #90-PD-100010
(Publication Committee)

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Boston,MA

Johnnie Moon, Director
We Care Day Care
Milwaukee, WI

Michelle Seltzer, Director
School Age Child Care Project
Wellesley, MA

Helen Taylor, Executive Director
National Child Care Association, Inc.
Washington, D.C.

Current State Day Care Center Licensing Offices

Office of Program Administration
64 North Union Street
Montgomery, Alabama 36130

Department of Health & Social Services
Pouch H-05
Juneau, Alaska 99811
(907) 465-3206

Arizona Department of Health Services
1740 West Adams
Phoenix, Arizona 85007
(602) 255-1112

Department of Social and Rehabilitative Services
P.O. Box 1487
Little Rock, Arkansas 72203
(501) 371-7512

Department of Social Services
744 P Street, Mail Station 17-17
Sacramento, California 95814
(916) 322-8538

Department of Social Services
1575 Sherman Street, Room 420
Denver, Colorado 80203
(303) 839-3361

State Department of Health
79 Elm Street
Hartford, Connecticut 06115
(203) 566-2535

Department of Health & Social Services
P.O. Box 309
Wilmington, Delaware 19899
(302) 421-6786

Department of Human Services
1905 E Street, S.E., 5th floor
Washington, D.C. 20003
(202) 727-0668

Department of Health and Rehabilitation Services
1311 Winewood Boulevard
Tallahassee, Florida 32301
(904) 488-1850

Department of Human Resources
618 Ponce de Leon Avenue
Atlanta, Georgia 30308
(404) 894-5144

Division of Social Services
P.O. Box 2816
Agana, Guam 96910
(617) 734-9912

Department of Social Services and Housing
P.O. Box 339
Honolulu, Hawaii 96809
(808) 548-2302

Department of Health and Welfare
Statehouse
Boise, Idaho 83720
(208) 334-4076

Department of Children and Family Services
1 North Old State Capitol Plaza
Springfield, Illinois 62706
(217) 785-2598

State Department of Public Welfare
100 North Senate Avenue, Room 701
Indianapolis, Indiana 46204
(317) 232-4421

Department of Social Services
3619 ½ Douglass Avenue
Des Moines, Iowa 50310
(515) 281-5581

Division of Health & Environment
Building 740, Forbes AFB
Topeka, Kansas 66620
(913) 862-9360

Department of Human Resources
Fourth Floor East
275 East Main Street
Frankfort, Kentucky 40601
(502) 564-2800

Department of Health & Human Resources
P.O. Box 3767
Baton Rouge, Louisiana 70821

Department of Human Services
Augusta, Maine 04333
(207) 289-3455

Department of Health and Mental Hygiene
201 West Preston Street
Baltimore, Maryland 21201
(301) 383-4009

Office for Children
120 Boylston Street
Boston, Massachusetts 02116
(617) 727-8956

Michigan Department of Social Services
116 West Allegan
P.O. Box 80037
Lansing, Michigan 48926
(517) 373-8300

Department of Public Welfare
Centennial Office Building, 4th Floor
St. Paul, Minnesota 55155
(612) 296-2539

State Board of Health
P.O. Box 1700
Jackson, Mississippi 39205
(601) 982-6505

State Department of Social Services
Broadway State Office Building
303 W. McCarthy Street
Jefferson City, Missouri 65103
(314) 751-2450

Montana Department of Social and Rehabilitation Services
P.O. Box 4210
Helena, Montana 59601
(406) 449-3865

Department of Public Welfare
P.O. Box 95026
Lincoln, Nebraska 68509
(402) 471-3121

Division of Youth Services
505 East King Street
Carson City, Nevada 89710
(702) 885-5911

Office of Social Services
Hazen Drive
Concord, New Hampshire 03301
(603) 271-4402

New Jersey Department of Human Services
1 South Montgomery Street
Trenton, New Jersey 08623
(609) 292-1879

Health and Environment Department
725 St. Michael's Drive
P.O. Box 968
Sante Fe, New Mexico 87503
(505) 827-3201, Ext. 473

Mr. Jason Edwards
P.O. Box 2348
Room 519, Pera Building
7th and New Mexico
Sante Fe, New Mexico 87501
(505) 265-3771

New York State Department of Social Services
40 North Pearl Street
Albany, New York 12243
(800) 342-3715)

Office of Child Day Care Licensing
P.O. Box 10157
1915 Ridge Road
Raleigh, North Carolina 27605
(919) 733-4801

Child and Family Services
Russell Building—Box 7
Highway 83 North
Bismark, North Dakota 58505
(614) 466-3822

Bureau of Licensing and Standards
30 E. Broad Street, 30th Floor
Columbus, Ohio 43215
(614) 466-3822

Department of Pubic Welfare
P.O. Box 25352
Oklahoma City, Oklahoma 73125
(405) 521-3561

Department of Human Resources
198 Commercial Street, S.E.
Salem, Oregon 97310
(503) 378-3178

Pennsylvania Department of Public Welfare
Room 423, Health & Welfare Building
Harrisburg, Pennsylvania 17120
(717) 961-4371

P.O. Box 11398
Fernandez Juncos Station
Santurce, Puerto Rico 00910
(809) 723-2127

Department of Social & Rehabilitative Services
610 Mount Pleasant Avenue
Providence, Rhode Island 02908

South Carolina Department of Social Services
P.O. BOx 1520
Columbia, South Carolina 29202
(803) 758-7620

Department of Social Services
Richard F. Kneip Building
Pierre, South Dakota 57501
(605) 773-3227

Tennessee Department of Human Services
111-9 7th Avenue North
Nashville, Tennessee 37203
(615) 741-3284

Texas Department of Human Resources
P.O. Box 2960
Austin, Texas 78769
(512) 441-3355

Division of Family Services
P.O. Box 2500
Salt Lake City, Utah 84110
(801) 533-5031

Department of Social and Rehabilitative Services
81 River Street
Montpelier, Vermont 05602
(802) 241-2158

Department of Social Services
P.O. Box 539
Charlotte Amalie
St. Thomas, Virgin Islands 00801
(809) 774-0930

Department of Welfare
8007 Discovery Drive
Richmond, Virginia 23229
(804) 281-9025

The Department of Social & Health Services
State Office Building #2
Mail Stop 440
Olympia, Washington 98504
(106) 753-7160

Department of Welfare
1900 Washington Street, East
Charleston, West Virginia 25305
(304) 348-7980

Division of Community Services
1 West Wilson Street
Madison, Wisconsin 53702
(608) 266-8200

Division of Public Assistance
& Social Services
Hathway Building
Cheyenne, Wyoming 82002
(307) 777-7561

Sample Questionnaire For Parents

I am looking into the possibility of opening a day care center. I want to be able to provide day care that best meets the needs of you and your children.

Please answer the following questions:

1. How many of your children need day care?
2. What are their ages?
3. Which is more convenient for you,

   a center near work _____ (address) or

   a center near your home _____ (address)?

   Other location _____
4. What hours and days will you need care?
5. How much are you willing to pay a week for care?
6. Will transportation need to be provided?
7. Are you willing to pay extra for transportation?
8. What experiences and activities do you wish your children to have at the center?

OPTIONAL

Name _____

Address _____

Telephone _____

Glossary of Banking Terms*

A BALANCE SHEET is a current financial statement. It is a dollars and cents description of your business, existing or projected, which lists all your assets and liabilities.

A PROFIT AND LOSS STATEMENT is a detailed earnings statement for the previous full year (if you are in business) or a projected full year (if you are going into business). Existing businesses are usually required to show a Profit and Loss Statement for the current period to the date of the Balance Sheet.

ASSETS (if you are already in business) are your accounts receivable (money customer owe you), inventory (stock or merchandise), equipment (furniture, fixtures, machinery, delivery trucks); anything that has a value.

LIABILITIES (if you are already in business) include accounts payable (money you owe to suppliers), plus all current costs of doing business (mortgage payments, insurance, taxes, salaries, utilities); the business debts or what is owed.

CASH FLOW PROJECTION is a forecast of the cash (checks or money order) a business anticipates receiving and disbursing during the course of a given span of time—frequently a month. It is useful in anticipating the cash position of your business at specific times during the period being projected. Well-managed, the CASH FLOW should be sufficient to meet the cash requirements for the following month. If there is too little cash, you may need an additional loan, or you are paying out too much cash. If the end of the month finds you with a surplus of cash, on the other hand, either you have borrowed too much money and are paying unnecessary interest, or you have idle money that should be put to work.

Your PERSONAL FINANCIAL HISTORY is a picture of your personal financial condition to date. It is a very important part of any loan application and/or interview, especially when a loan for a projected new business is under consideration. A complete Personal Financial History is a record of all borrowings and repayments, an itemized listing of your personal assets and liabilities. It will list your sources of income such as salary, personal investments (stocks, bonds, real estate, savings accounts)—all of which are called Assets. Your Liabilities in the form of personal debts (installment credit payments, life insurance premiums, mortgage status, etc.) must also be listed in detail.

COLLATERAL is a favorite word in the banking community. It means property, stocks, bonds, savings accounts, life insurance and current business assets—any or all of which may be held or assumed to insure repayment of your loan.

*Small Business Administration, **Woman's Handbook**, MA-5

Job Description

Job Title: Teacher (3-5 years old)

Job Summary:
To develop and implement the Early Childhood Education component.

Responsible to: Center Director

Job Duties:

To support independence of children by ...

A. Arranging materials so that they are accessible to children without adult assistance;
B. Giving assistance when needed, but not intervening unnecessarily in situations such as dressing and undressing, clean-up, eating and serving food;
C. Selecting and using equipment that children can operate independently;
D. Arranging furniture and materials so that children work independently as well as in groups;
E. By not interrupting a child who is occupied constructively;
F. Following procedures that encourage children to meet their physiological needs without direct supervision (e.g. toilet, washing, etc.)

Positive Self-Image

A. Taking time to listen to children;
B. Responding to children's questions;
C. Giving praise freely when justified;
D. Setting up activities which stimulate differentiated individual responses;
E. Receiving parents with warmth and respect.

Intellectual Stimulation

A. Asking questions which provoke thoughtful response and problem-solving (e.g. comparing, contrasting, analysing, summarizing, imagination, feeling, and group discussions);
B. Using daily-life experiences and materials to develop concepts (e.g. related learning to immediate environment; mathematics concepts by use of familiar objects, science concepts through, natural and physical materials);
C. Introducing a wide variety of learning resources (e.g. books, people, objects, media);
D. Responding to children's questions, suggestions, and comments in ways which demonstrate that he/she is knowledgeable.

Qualifications:

A. Ability to communicate with persons from varied backgrounds;
B. Applicable experience in developmental programs for pre-school age children;
C. Ability to implement responsive, individualized educational program;
D. Ability to supervise para-professional and volunteer staff.

Requirements:

A. CDA credential (Child Development Association) or
B. BA with Early Childhood certification or
C. BA with teaching certificate and 2 years experience in pre-school program.

Salary range: $9,000-$12,000

Hours: 8:30-3:30

Chart of Furniture, Toys and Equipment Expenses*

I	II	III	IV			V
Equipment, toys, furniture items (not inclusive list)	Number you will need	Cost per item (include taxes and transp.)	You are making monthly payments, put the total price in the first column, this price will include interest and other charges. In the second column put the down payment and in the third column put your monthly payment.			Add A and B columns in Column IV together, enter below. This figure will represent what you will need for these items in your start-up costs. The additional monthly payments must be included in your operating budget.
			Price A	Down Payment B	Monthly Payment C	
Kitchen equipment—stove, refrigerator, dishwasher, freezer, pots and pans						
Office equipment—desks, chairs, file cabinets, safe, typewriter, adding machine						
Storage shelves and child cubbies						
Cots—cribs						
High chairs						
Potty seats						
Blocks—large and small						
Record player and records						
Music instruments—bells, drums, triangles						
Vehicles—cars, trucks, airplanes (large & small)						
Books						
Pictures and plants						
Wagons						
Balls						
Waste baskets						
Emergency clothing						
Tricycles						
Outdoor equipment						
Subtotal						
Total						

*Adapted from a chart developed by SBA

Annotated Bibliography

GENERAL

Galinsky, Ellen and Hooks, Wm., **The New Extended Family**, Houghton Mifflin Co., Boston, 1977

Examines and analyzes characteristics of 14 quality child care programs. Relates program qualities to principles upon which to base public policy initiatives.

ADMINISTRATION

Save The Children, Child Care Support Center, 1182 West Peachtree Street, N.W., Atlanta, GA

Day Care Personnel Management, 1979

Presents a complete guide to personnel management including staff selection, personnel policies and hiring and termination procedures.

The Effective Day Care Director, 1981

Provides a comprehensive realistic description of the role and responsibilities of a day care director.

Recruiting and Enrolling Children, 1978

Includes advertising techniques, enrollment procedures and ways to maintain a stable population.

Sciarra, Dorothy J. and Dorsey, Anne G., **Developing and Administering A Child Care Center**, Houghton Mifflin Co., Boston 1979

Although written for college students, provides a comprehensive overview for starting and administering a day care center. Chapters include information on grouping and enrolling children; managing food, health and safety programs; staffing; developing a facility; and working with Boards. Sample forms, budgets, floor plans are also included.

Child Care Information Exchange, **Reprint #102 Staff Development**, C-44, Redmond, Washington 98052

Includes articles on communication skills, staff training, and suggestions for developing harmonious staff relations.

LEGAL ISSUES

Kotin, Lawrence, Crabtree, Robert K. and Aikman, William F., **Legal Handbook for Day Care Centers**, (Revised ed.) prepared for Lawrence Johnson Associates, Inc., pursuant to a contract with the Day Care Division, ACYF at HDS, U.S. Department of Health and Human Services, 1981 at press

Outlines all pertinent legal issues involved in starting and operating a day care center. Information on insurance, organizational structure, tax as well as wage/benefits information are a sample of the areas covered.

FISCAL MANAGEMENT

Child Care Information Exchange, **Reprint #3 Money Management I**, C-44, Redmond, Washington 98052, 1981

Offers a collection of articles written especially for day care administrators. Covers principles of budgeting and break even analysis.

Child Care Information Exchange, **Reprint #13 Money Management II**, C-44, Redmond, Washington 98052, 1981

Includes articles on fee collection procedures, financial management resources and tax planning tips.

Elliot, Phyliss; Forman, Jane and Riesett, Robert, **Analyzing Costs in Human Service Programs**, Welfare Research, Inc., 1015 18th Street, N.W., Washington, D.C. 20036, 1980

Vol. I-IV
Readers Guide
A Procedures Manual
Trainers Manual
Rate Setting Guide

Presents a uniform system for collecting, organizing, and analyzing cost information. Aimed at administrators of social service agencies.

Jordan, Audrey Ph.D., **Training Program; A Standardized Accounting System**, Vol. 3, Welfare Research, Inc., 1015 18th Street, N.W., Washington, D.C. 20036, 1981

Provides a structured training program and resources for use with administrators with a non-accounting background. It focuses on the basic principles of double entry-bookkeeping.

Office of Management Assistance, U.S. Small Business Administration, **Women's Handbook**, MA-5 SBA, P.O. Box 15434, Fortworth, Texas 76119. Phone toll free 800-433-7212. (Texas only 800-729-8901) for list of additional publications.

Provides basic information needed to start a business in a clear easily understood manner. Also describes SBA and ways it provides assistance.

Younguist, Emily; Farrell, Guy, **Dollars and Cents**, Vol. I, Welfare Research, Inc., 1015 18th Street, N.W., Washintgon, D.C. 20036, 1980

Introduces in simple language accounting procedures outlining basic principles of single and double entry bookkeeping. Targeted for administrators without an accounting background.

Younguist, Emily; Farrell, Guy, **A Guide to Bookkeeping**, Vol. II, Welfare Research, Inc., 1015 18th Street, N.W., Washington, D.C. 20036, 1980

Explains how to implement the Standardized Accounting System with a flexible double entry bookkeeping system. Applicable for day care services.

FUND RAISING AND PUBLIC RELATIONS

Child Care Information Exchange, **Reprint #10 Fundraising**, C-44, Redmond, Washington 98052

Includes articles based on information obtained from surveys sent to day care directors. Shares successful fundraising ideas.

The Foundation Center, **The Foundation Directory**, New York 1975. Distributed by Columbia University Press

Located in public libraries, this directory provides a list of foundations (by State) and includes their purposes and activities.

Kiritz, Norton, "Programs Planning and Proposal Writing" (expanded version), The Grantsmanship Center, Los Angeles, CA, 1979

Portrays a step-by-step practical description of the proposal format. Both good and bad examples of cover letters, problem statements and other components of proposals are analyzed. Especially useful where no specific guidelines are provided by the funding source. Process description also provides a means for identifying program goals and objectives useful in planning.

The Grantsmanship Center NEWS reprint, "Guide to Public Relations", The Grantsmanship Center, Los Angeles, CA. February 1977

Provides ideas on how to effectively relate to the public. Outlines specific techniques for writing press releases, talking to reporters, dealing with TV and radio, planning a press conference, and getting Public Service Time on radio and TV.

PROGRAM/CURRICULUM

Dittman, Laura ed., **Curriculum is What Happens: Planning is the Key**, NAEYC, 1834 Connecticut Ave. N.W., Washington, D.C. 20009, 1977.

Emphasizes self-directed learning experiences in planning curriculum.

Hohmann, Mary et al, **Young Children In Action**, The High/Scope Press, Ypsilanti, MI 1979

Provides a theoretical framework for setting up a preschool program. Addresses special needs concerns and bilingual/multi-cultural issues in the classroom. Chapters include arranging and equipping the classroom, key experiences for children as well as an appendix that includes a bibliography on preschool activity books, curriculum checklists and a parent interview and assessment schedule.

Stone, Jeannette Golambos, **A Guide To Discipline**, NAEYC, 1834 Connecticut Ave. N.W., Washington, D.C., 1977

Focuses on how to avoid discipline problems as well as how to handle them when they occur. Provides concrete suggestions for solving conflicts and helping children develop self control.

INFANT CARE

Neugebauer, Roger and Lurie, Robert, ed., **Caring For Infants and Toddlers; What Works and What Doesn't**, Child Care Information Exchange—1980

Offers a practical guide to infant/toddler care covering such topics as curriculum planning, environmental design, routine caregiving and staff development.

SCHOOL-AGE CHILD CARE

Prescott, Elizabeth, **School's Out! Group Care for School-Age Children**, Pacific Oaks College, Pasadena, CA, 1975

Describes both practical and theoretical issues in school age care. It is especially strong in actual program design. Includes profiles of existing model school age programs.

School Age Child Care Project, **School-Age Child Care Action Manual**, Wellesly College Center for Research on Women, Wellesly, MA, at press

Provides an in-depth practical step-by-step account of the process involved in starting and operating a school age child care program. Includes sample needs assessments, budgets, forms and resource guides.

DESIGNING CENTERS AND CLASSROOMS/ EQUIPMENT

Evans, E. Belle, Sara, George and Evans, Elmer A., **Designinng a Day Care Center: How to Select, Design and Develop a Day Care Center**, Beacon Press, Boston, 1974

Provides step-by-step building instructions detailed for constructing indoor furniture and equipment.

Osmon, Fred, **Patterns For Designing Children's Centers**, Educational Facilities Laboratories, 477 Madison Ave., New York, NY 10022, 1973

Discusses theoretical reasons for making specific space design choices. Focuses on indoor as well as outdoor play space.

HEALTH AND NUTRITION

Reinisch, Edith and Ralph Minear, Jr., **Health and The Preschool Child**, John Wiley & Sons, New York, NY, 1978

Presents an overview of health issues related to the pre-school child. Includes such topics as nutrition, a description of the infectious process and the control of infectious diseases. A health assessment tool is also included. Useful as a reference guide.

United States Department of Agriculture, Office of Legislative Affairs and Public Information, Food and Nutrition Service, Washington, D.C. 20250

Write the above for participation requirements in Child Care Food Program, record keeping and meal patterns.

United States Department of Agriculture, **Food Service Guild for Child Care Institutions** Program Aid #1264, Office of Legislative Affairs and Public Information, Food and Nutrition Service, Washington, D.C. 20250

Describes equipment needed for food preparation and includes sample kitchen layouts, purchasing, and bidding procedures.

United States Department of Agriculture, **A Planning Guide for Food Service in Child Care Centers**, FNS-64, Jan. 1981, Office of Legislative Affairs and Public Information, Food and Nutrition Service, Washington, D.C. 20250

Provides nutritional information, education, sample menus, tips on food purchasing, preparation and sanitation.

PARENT INVOLVEMENT

Honig, Alice, **Parent Involvement in Early Childhood Education**, NAEYC, Washington, D.C., revised edition 1979

Describes program models and methods that promote parent involvement. It also points out the difficulties, successes and insights encountered in the parent-involvement process.

PERIODICALS

Child Care Information Exchange, C-44, Redmond, Washington 98052. Subscription rate $15.00 (Bi-monthly)

Shares ideas, common problems and solutions. Much of the information is obtained through questionnaires and interviews with directors. Written especially for child care administrators.

Day Care and Early Education, Human Sciences Press, N.Y., published quarterly, ($20.00 for individuals: includes membership in the Day Care Council of America), 711 14th Street, N.W., Suite 507, Washington, D.C. 20005

Includes articles relating to program issues, advocacy and research. Useful in keeping abreast of current issues in child care from a national perspective.

Young Children, National Association For the Education of Young Children, 1834 Connecticut Avenue, N.W., Washington, D.C. 20009. $12.00/yr. for non-members, included in membership dues $7.50/yr. (Bi-monthly)

Presents current theory, and research in early childhood education by professionals in the field.

National Organizations

Association for Childhood Education International
3815 Wisconsin Avenue, N.W.
Washington, D.C. 20016
(202) 363-6963

Child Welfare League of America, Inc.
67 Irving Place
New York, NY 10003
(202) 254-7410

Children's Defense Fund
1520 New Hampshire Avenue
Washington, D.C. 20036
(202) 483-1470

Children's Foundation
1420 New York Avenue, N.W., Suite 800
Washington, D.C. 20005
(202) 347-3300 (food program info)

Day Care Council of America
711 14th Street, N.W., Suite 507
Washington, D.C. 20005
(202) 638-2316

National Association for Child Care Management
1800 M Street, N.W.
Washington, D.C. 20036
(202) 452-8100

National Association for the Education of Young Children
1834 Connecticut Avenue, N.W.
Washington, D.C. 20009
(202) 232-8777

National Black Child Development Institute
1463 Rhode Island Avenue, N.W.
Washington, D.C. 20005
(202) 387-1281

National Credentialing Program
Child Development Associate Credentialing Commission
1341 G Street, N.W., Suite 802
Washington, D.C. 20005
(800) 424-4310

Notes